

Request for Proposals

For

**Consulting Services for Reduction in System Errors (RISE)
Project**

Released by

State of Washington

Department of Retirement Systems

6835 Capitol Boulevard

P.O. Box 48380

Tumwater, WA 98504-8380

RFP 00-01



**State of Washington
Department of Retirement Systems
Olympia, WA**

Request for Proposals

RFP 00-01

Project Title: Reduction in System Errors (RISE)

Proposal Due Date: February 8, 2000

Expected Time Period for Contract: March 15, 2000 through June 30, 2001

Consultant Eligibility: This procurement is open to those companies who satisfy the minimum qualifications stated within the RFP and who are available for work in Washington State.

Contents of the RFP:

1. Introduction
2. Scope of Services
3. Vendor Qualifications
4. General Information for Respondents
5. Executive Summary
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7. Fee Proposal
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10. DRS Rights

Exhibits

- A: Certification and Assurances
B: Sample Contract



WASHINGTON STATE DEPARTMENT OF RETIREMENT SYSTEMS

REQUEST FOR PROPOSALS 00-01

Consulting Services for Reduction in System Errors (RISE) Project

1. INTRODUCTION

1.1 BACKGROUND

Department of Retirement Systems

The Washington State Department of Retirement Systems (DRS) is a state agency created by the 1976 Washington State Legislature. The enabling legislation is found in Chapter 41.50 Revised Code of Washington (RCW). DRS currently administers the state's six public sector retirement systems with ten separate plans. The retirement systems and plans are Public Employees' Retirement System (PERS) Plan 1 and Plan 2; Teachers' Retirement System (TRS) Plan 1, Plan 2, and Plan 3; Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 and Plan 2; the Washington State Patrol Retirement System, the Judicial Retirement System, and the Judges' Retirement Fund. All are defined benefit plans, with the exception of TRS Plan 3, which is a dual hybrid defined benefit/defined contribution plan.

DRS also administers the Deferred Compensation Program (DCP), and the Dependant Care Assistance Program (DCAP).

Reduction in System Errors (RISE) Project

This project comes from a funded decision package entitled "Reduction in System Errors". DRS is committed to finding ways to prevent and detect errors so they have a minimal impact on the quality of the services delivered to our customers.

Historically, DRS has been able to detect and repair errors in defined benefit systems without a major loss in the quality of the customers' experiences. There has been, however, some need for rework or fixing of problems identified after a program is implemented in production.

Another factor which has influenced the overall quality of systems is the implementation of TRS (Teachers' Retirement System) Plan 3, which adds a defined contribution (DC) component to the existing defined benefit system. In addition to the relative complexity and immediacy of a DC



component, the automated systems associated with TRS Plan 3 were implemented with a shortage of resources to maintain the system. This shortage creates an ongoing drain on other resources and makes error avoidance and mitigation more difficult.

The complexities of an integrated system also require new ways of working. Interrelationships between system processes increase, and impacts of change to existing processes are more widespread.

This project intends to establish formal practices and procedures that will reduce the occurrence of errors, improve customers' experience, and mitigate the risks that have arisen due to the advent of defined contribution (DC) programs and other significant changes to systems. Expected results include not only improved testing plans and practices, but improved preventative measures in all areas of the system development process.

Anticipated business benefits of the project include:

- Improved accuracy and reliability of information processed for internal and external customers
- Avoidance of rework.
- Avoidance of loss of confidence and credibility in the DRS.
- Improvement, in general, of quality of service.

The primary goal of the project of "Reduction in System Errors" is to institute practices and processes which will improve the quality, and reduce the risk of errors and rework in customer deliverables produced by DRS systems. The project will also implement prevention procedures to ensure a reduction in and avoidance of errors.

The scope of this effort will include 6 processes that are already developed, which are recurring, and which are subject to modifications at least once a year. The proposed processes are:

- Production of 1099 tax reports.
- Production of annual statements(non-teachers)
- Production of Cost of Living (COLA) Adjustments
- Sending information about defined contributions to a third party record keeper.
- TRS Gainsharing
- SERS Transfer Payments

These processes are scheduled batch processes running in a large IBM mainframe (MVS, ADABAS/Natural, Cobol) environment operated by the Washington State Department of Information Services (DIS).



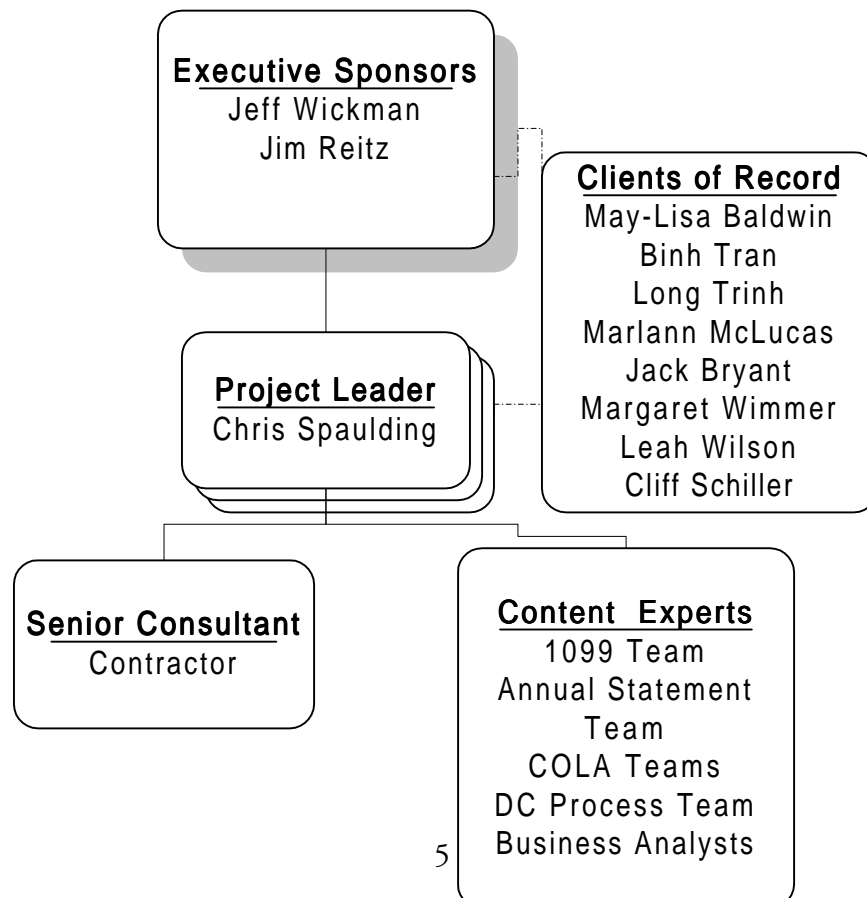
The project will address risks, problems and errors which are identified in the processes by the project teams, including user customers.

Activities within the scope of the project include assessment of current practices and quality, process improvements, assessment of the impact of process improvements, training for user and technical staff; and policy and procedure development to institute effective changes.

The general approach will be to work with each process team to assess and document the development and testing processes from both technical and user perspectives. Baseline data will be collected on the types of errors experienced in previous runs, the sources of the errors, and potential solutions for reducing errors. Some process improvements may be instituted in the initial process run during the project's duration. Following the process run, process improvements will be designed and implemented. The subsequent run is expected to show decreased errors, and improved quality based on the process improvements.

While the focus of this project will be on six processes, the intent is to implement proposed process improvements broadly in the IS division and in projects throughout DRS.

PROJECT ORGANIZATION





1.2 PURPOSE OF THE REQUEST FOR PROPOSALS

DRS is seeking to retain a qualified firm to provide consulting services to the RISE project. The vendor chosen will be required to provide a variety of services including professional assessment of systems development, maintenance and testing practices and outcomes, facilitating process improvements, training, measuring results of the process improvements, and other work required to achieve the objectives of the project and contract.

1.3 PERIOD OF PERFORMANCE

The period of performance of the contract resulting from this RFP, is tentatively scheduled to begin March 15, 2000 and conclude no later than June 30, 2001.

1.4 BID REQUIREMENTS

Disclosure

If the Respondent will sub-contract for the development and/or provision of any portion of services, that must be disclosed in the bid. DRS retains the right to review and approve any and all sub-contractors. Disclosure must include identification of the positions, their responsibilities, and how the Respondent will monitor the sub-contractors to ensure contract and service level compliance.

1.5 DEFINITIONS

- **“Respondent”** shall mean an entity intending to submit or submitting a proposal for the project.
- **“Apparently Successful Respondent(s)”** shall mean the Respondent(s) selected by Department of Retirement Systems (DRS) as the most qualified entity to perform the stated services.
- **“Director”** shall mean the agency employee authorized by RCW 41.50.020 who serves as the executive and administrative head of DRS.
- **“RFP”** shall mean this Request for Proposals, any addendum or erratum thereto, Respondents’ written questions and the respective answers, and any related correspondence that is: (1) addressed to all Respondents and (2) signed by the Director, Deputy Director, their designee, or the RFP Coordinator.



- **"DRS"** shall mean the Washington State Department of Retirement Systems as described in Chapter 41.50 RCW.
- **"RISE"** shall mean the Reduction in System Errors project conducted by the Department of Retirement Systems.
- **"IT"** shall mean Information Technology.
- **"Consulting Services for systems development and testing"** shall include but not be limited to expert evaluation of development and testing processes and results, expert recommendations to strengthen processes, working with IT teams to plan and implement process changes, and measuring results of process improvements.

Contract definitions are provided on page one of the Sample Contract, which is Exhibit B of this RFP.

1.6 Objectives of the contract:

- Enhance the procedures used when developing or changing a computer application, to improve overall quality, reduce risk to system quality and increase the prevention and/or detection and removal of errors.
- Develop thorough procedures to be followed when testing application functions that yield customer results.
- Produce practical measurements that show that procedures are working as intended.
- Institute preventive practices that will ensure risk reduction and error avoidance in general.



General Description of Processes and Timeframes

<i>Process Name</i>	<i>Description</i>	<i>Schedule/Frequency</i>
1099 Tax Forms, 1999	Prepare 1099 tax forms for DRS retirees and beneficiaries for the CY 1999	November 1999 - January 2000 / Annual
Member Annual Statements	Non-TRS annual statements of service credits and contributions are produced and sent to members for CY 1999.	December 1999 - February 2000 / Annual
COLA	Cost of Living adjustments applied to Benefits	May - July 2000 / Annual
Defined Contribution Upload, "Beam"	Uploading defined contribution data to the third party record keeper.	Daily overnight batch process (business days)
SERS Transfer Payment	Process transfer payments for School Employees Retirement System members who elect Plan 3.	March 2001 / One time
TRS Gainsharing	Process gainsharing payment for Teachers Retirement System members who qualify.	March 2000 / One time



2. SCOPE OF SERVICES

Deliverables:

- Assessment of DRS current practices, using Quality Improvement techniques and principles
- Assessment of current risks, opportunities and error trends using Quality process improvement methods and principles.
- New procedures, and standards for reducing risks and errors. These will be based on best industry practices, and consistent with Capability Maturity Model guidelines, and developed in conjunction with the DRS teams responsible for each process.
- Recommend automated testing tools and their most appropriate use
- Project plans for improvement of each pilot process.
- Presentation of recommendations to the Management Team.
- DRS Formal Project Practices training, including training materials on the new procedures–
- 2 to 3 hour orientation training for programmers, business staff, and Project Managers involved in new development or recurring processes.
- Training for business users in requirements development, test case development, and testing roles and responsibilities.
- Training for IS technical staff on testing techniques, testing roles and responsibilities
- Base line definition of errors (rework errors, output errors) for scope of applications (using historical data or extrapolated data wherever available)
- Base line measurement or estimate of errors (for all defined types of errors) for scope of applications.
- Application 1 (1099) assessment of results
- Application 2 (COLA) assessment of results
- Application 3 (Annual Statements) assessment of results
- Application 4 (Defined Contributions to Third Party Record Keeper) assessment of results
- Application 5 (TRS-3) assessment of results
- Application 6 (SERS Transfer Payments) assessment of results
- Testing plans for each process.
- Measurements showing quality improvements produced by this project
- Lessons learned document
- Executive briefing with the Executive management team on final results.

3. VENDOR QUALIFICATIONS

Respondents must satisfy ***all*** of the following mandatory qualifications in order to be considered for the contract award.



- A. The Respondent must have provided consulting services for information technology systems development and testing, preferably in the public sector.
- B. The Respondent must be familiar with and have successful experience using the Capability Maturity Model as a basis for developing an information systems development organization.
- C. The Respondent must have successful experience using Total Quality Management principles and techniques for improving processes and working with teams.
- D. The Respondent must accept the written contract as supplied by DRS. The Respondent must have the approval of the Respondent's legal representative to the contract format set forth in Exhibit B prior to submittal of a proposal.
- E. Neither the Respondent, nor its subcontractors or affiliates or their officers or employees shall have a material conflict with DRS.
- F. The Respondent must be licensed to do business in the State of Washington during the contract period of performance.
- G. The Respondent must agree to provide the minimum services as detailed in Section 2, Scope of Services, as well as all other requirements as stated in the RFP.
- H. The Respondent will be required to provide DRS with proof of all applicable insurance(s).

The Respondent must be able to properly manage any actual, potential or appearance of conflict of interest, in the event the respondent has another contract with DRS which is pending, current, or anticipated.

4. GENERAL INFORMATION FOR RESPONDENTS

4.1 RFP COORDINATOR

The RFP Coordinator is the sole point of contact for this selection action. Throughout the duration of the procurement process, all questions and other communications concerning the procurement are to be directed, in writing, to the contact listed below.

Unauthorized contact regarding the procurement with other DRS staff after issuance of this RFP will disqualify the



Respondent.

Washington State Department of Retirement Systems
P.O. Box 48380
Olympia, WA 98504-8380
ATTN: Jim Gunn, RFP Coordinator

Telephone: (360) 664-7264

FAX: (360) 753-5397

E-mail: jimg@drs.wa.gov

Any questions regarding this RFP must be in writing or by e-mail, and must be received at DRS by 5:00 p.m. Pacific Daylight Time, **February 8, 2000**. The questions received and the answers will be posted on DRS's Web site. The address is: **www.wa.gov/DRS/vendors/index.htm**.

4.2 SUBMISSIONS

Submittal of ten (10) copies of the proposal is required. Two copies must have original signatures and eight copies can have photocopied signatures. One of the ten copies must be unbound. The unbound copy must contain original signatures and must be marked "Master Copy."

The ten (10) copies of the proposal must be in the hands of the RFP Coordinator on or before 5:00 p.m. Pacific Daylight Time **February 8, 2000**:

Respondents mailing proposals should allow normal mail delivery time to ensure timely receipt of their proposals by the RFP Coordinator.

Proposals may not be transmitted using electronic media such as facsimile transmission or electronic mail. Notwithstanding the provisions of RCW 1.12.070, postmarks will not be considered as date received for the purposes of this RFP. Late proposals will not be accepted, nor will time extensions be granted.

The outside of a proposal's packaging is to clearly identify the RFP being responded to, including the RFP number (00-01).

All proposals and accompanying documentation become the property of DRS and will not be returned.

4.3 PROPOSAL FORMAT

All proposals must be on eight and one-half by eleven (8 ½ x 11) inch



paper and placed in binders with tabs separating the major sections of the proposal. The sections shall include:

- 1) Letter of Submittal, including signed Certification and Assurances (Exhibit A at the end of this RFP);
- 2) Executive Summary;
- 3) Responses to Questions;
- 4) Fee Proposal; and
- 5) Any supplemental information the Respondent wishes to include relevant to this RFP.

Responses should be in the order outlined in this RFP.

Responses to questions should restate the question and follow with the response.

4.4 SIGNATURES

The Letter of Submittal and the Certifications and Assurances form must be signed and dated by a person authorized to legally bind the Respondent to a contractual relationship, e.g., the President or Executive Director if a corporation, the managing partner if a partnership, or the proprietor if a sole proprietorship.

4.5 ESTIMATED SCHEDULE OF ACTIVITIES

Event	Date
Issue RFP	By January 12, 2000
Proposals due	February 8, 2000
Evaluation Period	February 9 through February 14, 2000
Interviews, if necessary	February 15, 2000
Announcement of apparently successful Respondent(s)	February 18, 2000
Contract finalization	February 18 to February 25, 2000
Contract filing period	10 days
Work on Contract for RISE begins	On or about March 15, 2000

4.6 FILING REQUIREMENT

Under the provisions of Chapter 39.29 RCW, this personal services contract is required to be filed with the Office of Financial Management (OFM). No contract required to be so filed is effective, and no work



thereunder shall be commenced, nor payment made therefor, until ten (10) working days following the date of filing and until approved by OFM. In the event OFM does not approve the contract, the contract shall be null and void.

4.7 FAILURE TO COMPLY

The Respondent is specifically notified that failure to comply with any part of the RFP will result in rejection of the proposal as non-responsive.

4.8 REVISIONS TO THE RFP

DRS reserves the right to revise the RFP and/or to issue addenda to the RFP. DRS also reserves the right to cancel or to reissue the RFP in whole or in part, prior to execution of a contract. In the event it becomes necessary to revise any part of the RFP, addenda will be available on the DRS website. .

4.9 MINORITY & WOMEN-OWNED BUSINESS PARTICIPATION

In accordance with the legislative findings and policies set forth in chapter 39.19 RCW, the state of Washington encourages participation in all of its contracts by firms certified by the Office of Minority and Women's Business Enterprises (MWBE). Participation may be either on a direct basis in response to this solicitation or on a subcontractor basis. However, no preference will be included in the evaluation of proposals, no minimum level of MWBE participation shall be required as a condition for receiving an award, and proposals will not be rejected or considered non-responsive on that basis. Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the contract documents will apply.

4.10 SUBMISSION LIMIT

After submission, Respondents will not be allowed to amend the proposal. Responses consisting solely of marketing materials are not acceptable and will be rejected.

4.11 MOST FAVORABLE TERMS

DRS reserves the right to make an award without further discussion of the proposal submitted. (**An exception** is that the RFP Coordinator may contact the Respondent for clarification of a portion of the Respondent's proposal.) There will be no best and final offer process. Therefore, the Respondent should submit the initial proposal on the most favorable terms



the Respondent can propose.

4.12 OBLIGATION TO CONTRACT

This RFP does not obligate the State of Washington or DRS to contract for service(s) specified herein.

4.13 COSTS TO PROPOSE

DRS will not be liable for any costs incurred by the Respondent in preparation of a proposal submitted in response to this RFP, in conduct of a presentation, or any other activities related to responding to this RFP.

4.14 COMMITMENT OF FUNDS

The Director of DRS or his delegate are the only individuals who may legally commit DRS to the expenditures of funds for a contract resulting from this RFP. No cost chargeable to the proposed contract may be incurred before receipt of a fully executed contract.

4.15 INSURANCE COVERAGE

The Respondent must indicate in the letter of submittal and as a condition of contract award, that the Respondent will provide proof of insurance from the Respondent's insurance carrier, showing compliance with the insurance requirements set forth below.

The Company awarded the contract shall, at the Company's own expense, obtain and keep in force insurance coverage which shall be maintained in full force and effect during the term of the contract. The Company shall furnish evidence in the form of a Certificate of Insurance that insurance shall be provided, and a copy shall be forwarded to DRS within fifteen (15) days of receipt of notice of award.

Liability Insurance

- 1) **Commercial General Liability Insurance:** The Company shall maintain general liability (CGL) insurance and, if necessary, commercial umbrella insurance, including contractual liability, in adequate quantity to protect against legal liability arising out of contract activity, but no less than \$1,000,000 per occurrence. Additionally, the Company is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.



Business Auto Policy: In the event that services delivered pursuant to this contract involve the use of vehicles, either owned or unowned by the Company, the Company shall maintain business automobile liability insurance with a limit not less than \$1,000,000 per occurrence, using a Combined Single Limit for bodily injury and property damage.

- 2) The insurance required shall be issued by an insurance company/ies authorized to do business in the state of Washington, and shall name the state of Washington, its agents and employees as additional insureds under the insurance policy/ies. All policies shall be primary to any other valid and collectable insurance. The Company shall instruct the insurers to give DRS 30 days advance notice of any insurance cancellation.

Workers' Compensation Coverage

The Contractor shall provide or purchase applicable workers' compensation insurance coverage prior to performing work under this contract. DRS will not be responsible for payment of industrial insurance premiums for this Company, or any subcontractor or employee of Company, which might arise under the workers' compensation insurance laws during performance of duties and services under this contract. Should the Company fail to secure workers' compensation insurance coverage or fail to pay premiums on behalf of its employees, DRS may deduct the amount of premiums owing from the amounts payable to the Company under this contract and transmit the same to the appropriate workers' compensation insurance fund.

5. PROPOSAL EXECUTIVE SUMMARY

Provide a high level summary of your proposal, highlighting the strengths, experiences, and background of your Company. The summary should be no more than three pages in length.

6. QUESTIONNAIRE FOR Reduction in System Errors (RISE) project

In providing your Company's responses to the questions below, restate each question in bold face type with your response directly below. Your Company's proposal, and consequently your responses to the following questions, will be incorporated as part of the contract between your Company and DRS. For proposals made as joint ventures, requested



information should be provided for all companies that will be a party to the proposed services.

6.1 COMPANY INFORMATION

6.1.1 Give the name and address of your Company. Provide the name, title, address, and telephone and fax numbers of the contact person from your Company whom we may contact with questions regarding your response.

6.1.2 Your Company must be able to provide all the services and accept all the terms as outlined in this RFP. If your Company can provide substantially all of the services but you require an exception to some specific provision of this RFP, state the reason for the exception and the substitution offered. Alternative proposals, as permitted in this RFP, should be provided under your response to Section 6.10, question 2.

Give a brief history of your Company. Supply an audited financial statement for the most recently closed fiscal year.

6.1.3 Is your Company a subsidiary or affiliate of another Company? Give full disclosure of all direct or indirect ownership.

6.1.4 Is the package of services being quoted provided under a joint venture arrangement? If so, describe the arrangement, its terms and conditions and whether your Company and the other companies have been involved in similar joint ventures in the past.

6.1.5 Indicate whether any services will be subcontracted to another Company and fully describe these services and the stability, background, and qualifications of the Company that will provide the services, including that Company's audited financial statements for the last three years.

6.1.6 Describe how your Company will ensure that no conflict of interest or appearance of conflict of interest exists in the event that you have other prior, existing, pending or anticipated contracts or business arrangements with DRS.

6.2 EXPERIENCE

6.2.1 Provide a history of your Company with respect to Information Technology systems development and testing methods and practices.



Include the dollar amount of this consulting service that your business has conducted during the last two years. What percentage is this of your Company's total business?

- 6.2.2 Describe your experience and familiarity with Capability Maturity Model as a basis for making organizational change and development.
- 6.2.3 Describe your successful experience with Total Quality Management principles, techniques and team process.
- 6.2.4 Describe your experience developing and delivering training to technical staff and business staff on systems development and testing.
- 6.2.5 For how many clients does your Company currently provide IT systems development and testing consulting services.
- 6.2.6 Provide five client references from engagements most like DRS is requesting services for in the RFP. Fully describe the circumstances of your engagement and include the following:
 - (a) Company name
 - (b) Contact name and title
 - (c) Telephone and fax numbers
 - (d) Nature of the service you provided
 - (e) Length of relationship
 - (f) Whether the relationship specifically involved consulting on system development and testing.

6.3 CONTRACTUAL ISSUES

- 6.3.1 Has your Company had a contract under which you provided consulting services terminated by a client for cause within the last five years? If so, by whom and under what circumstances? Provide the name and telephone number of each client that has terminated your Company's services.
- 6.3.2 Is your Company licensed to conduct business in the State of Washington? If not, please attach an opinion of counsel giving his or her opinion as to whether he or she anticipates any difficulties in obtaining all necessary licenses prior to the effective date of the contract. Does delivery of all your services comply with all federal and State of Washington regulations? If not, specify.



6.4 CLIENT SATISFACTION

6.4.1 Describe in detail how your Company proposes to ensure DRS's satisfaction with the consulting services provided by your Company, including:

- Formal and informal oral and written communication with DRS
- Inquiry and problem resolution processes
- Other: _____

6.4.2 What safeguards would you utilize to assure DRS that it is informed of all complaints or unresolved issues regarding services provided under this contract? How will you notify DRS of these issues? Note that any significant complaints not resolved within three working days must be brought to DRS's attention.

6.4.3 Describe any survey or review mechanisms that your Company has in place to ensure that the representatives are conducting group meetings in a professional manner. How will your Company monitor the performance of contract or temporary representatives?

6.4.4 What distinguishes your consulting services from that of other companies?

6.4.5 How will you assure quality service from your subcontracted companies, if used?

6.5 IMPLEMENTATION PLAN

6.5.1 Describe in detail your plan to provide consulting services to meet the objectives and produce the deliverables outlined in the RFP. Provide a detailed work plan and flow chart of activities, responsibilities, and time frames for the activities. Provide an estimate of the type and amount of resources that DRS will need to provide to your Company during the contract.

6.5.2 How will your Company guarantee that it can meet the time frames outlined in the RFP?

6.5.3 Describe how you propose to handle the unique problems associated with instituting procedural and organizational change. Describe situations in which your Company has provided similar services and any innovative solutions or procedures that were used. Describe the experience and capabilities that your Company will bring to this assignment that will benefit DRS.



- 6.5.4 List the expected members of the implementation team who will work with DRS, as well as their roles and responsibilities.

6.6 STAFFING AND SERVICES

- 6.6.1 Name the person who will have overall, hands on responsibility for delivering the consulting services. Provide the resume for this individual including his or her qualifications, experience, number of years with your Company and primary work location. Describe the duties and responsibilities that this person will have. Describe the percentage of time this individual will dedicate to DRS's contract. If the percentage of time is less than full-time, would your Company consider dedicating such a person full-time? If so, provide the additional costs associated with a full-time account service representative in your Fee Proposal. If not, indicate why a less than fully dedicated position is adequate to handle this contract.
- 6.6.2 Fully describe the professional qualifications and experience of all primary staff who will be directly involved in the oversight or delivery of these consulting services, including the person or persons who will plan and coordinate all activities associated with contract. Your response should fully describe professional designations, certifications and licenses held and each team member's roles and responsibilities within your Company.
- 6.6.3 Will your Company be hiring additional staff for this assignment? Will your Company be using independent contractors or temporary employees? If so,
- Indicate how many additional staff members, independent contractors and/or temporary employees you will be hiring,
 - provide details on the employment relationship,
 - describe the recruitment and hiring procedures to be used,
 - list the qualifications you will be looking for in these employees, including professional designations and licenses held,
 - indicate what steps you will take to ensure the quality and professionalism of these individuals.
- 6.6.4 Indicate which types of individuals are expected to receive variable compensation (such as commissions, bonuses, or incentive compensation) as the result of services performed under this contract with DRS. If any of these individuals do receive variable compensation, describe these compensation arrangements and what percentage of each type of individual's total pay is expected to be provided under the variable compensation arrangement.



6.6.5 Are you proposing a local service location? If so, include a description of the staff to be headquartered there. How many, if any, administrative and/or clerical personnel will be located there.

6.6.6 Describe your experience providing and presenting expert recommendations to staff and management level groups.

6.7 ADDITIONAL INFORMATION

6.7.1 If the above answers do not sufficiently cover all the pertinent facts which qualify your Company, summarize additional information below.

7. FEE PROPOSAL

7.1 PROPOSED FEE

DRS intends to enter into a sixteen (16) month contract with the Selected Respondent. Using this Fee Proposal Format, all Respondents must propose a fixed, flat dollar fee for each deliverable. The fee proposed under this contract may not increase during the duration of the contract and must be guaranteed for the entire contract period.

The Respondent's Fee Proposal should take into consideration all requirements described in this RFP. Any deviations, reductions, enhancements, or changes to the services outlined in RFP must be fully disclosed and described in detail.

7.2 PRICING DETAIL

The Respondent must fully detail the deliverables provided for each fixed, flat dollar fee proposal the Respondent is making. Breakdowns of the total fixed, flat dollar fee should be provided for each major activity. The breakdown provided should be as specific as possible. For example, it should:

- a) Itemize the consultant hours required for each deliverable.
- b) Itemize the number of meeting hours or days that will be provided, and the number of sessions to be conducted for process improvements.
- c) Itemize all training and development costs,
- d) List all expected travel and miscellaneous out-of-pocket costs during in-person education sessions (these expenses must be



- included in the fixed, flat dollar fee and will be the responsibility of the selected Respondent),
- e) Provide descriptions of the materials and the quantities of the various materials to be supplied, and list all production costs and postage (these expenses must be included in the fixed, flat dollar fee and will be the responsibility of the Selected Respondent), and
 - f) Describe any other relevant parameters that will enable DRS to make appropriate comparisons of Respondent fee proposals.

7.3 RATE GUARANTEE

State that the fee proposal is available for the entire length of the proposed contract as described above. If you are able to offer a longer rate guarantee, please indicate.

7.4 CONDITIONS OR EXCEPTIONS

Describe any conditions or exceptions that your Company feels are necessary. Note that it is not expected that any significant modifications to the conditions of this RFP will be accepted.

8. SUPPLEMENTAL INFORMATION

Each Respondent may present any supplemental information that the Respondent deems appropriate. The Respondent may also provide supporting documentation, as necessary, for evaluators to determine relevance and value.

9. EVALUATION AND CONTRACT AWARD

9.1 EVALUATION TEAM

The evaluation of proposals shall be accomplished by an evaluation team, to be designated by DRS, which will determine the proposal most responsive to the requirements stated in this RFP. Proposals will be evaluated strictly in accordance with the requirements set forth in this RFP and any addenda that are issued.

9.2 RESPONSIVENESS

At DRS' discretion, any proposal that does not adhere to the RFP format as specified may be considered non-responsive and not subject to further evaluation.



9.4 PROPOSAL CLARIFICATION

DRS reserves the right to contact any vendor and seek clarification of proposal contents in the event the evaluation team feels clarification is necessary to fairly evaluate all proposals.

9.5 AWARD BASED ON MULTIPLE FACTORS

The evaluation process is designed to award the contract to the Respondent whose proposal best meets the requirements of this RFP. The final selection, if any, will be based on the evaluation committee's recommendation after analysis of the Responses to Questions and the Fee Proposal, and interviews, if required.

9.6 EVALUATION WEIGHTING CRITERIA

Responses to the questions in Section 6 will be organized into the following categories and scored by a DRS evaluation team.

<u>Vendor Experience</u>	<u>40%</u>
<u>Implementation and Staffing Plans</u>	<u>40%</u>
<u>Cost</u>	<u>20%</u>
<u>Total Weighting</u>	<u>100%</u>

9.7 INTERVIEWS CONDUCTED IF NECESSARY

DRS, at its sole discretion, may elect to select the top two or more Respondents for an oral presentation. Commitments made by the Respondent at the oral interview, if any, will be considered binding. If interviews are conducted, the final selection will be based on the combined proposal and oral interview. Respondents with whom interviews are conducted will be asked to elaborate on the elements of their proposal.

9.8 NOTIFICATION TO UNSUCCESSFUL RESPONDENTS

Companies whose proposals have not been selected will be notified via FAX at the FAX number provided in their proposal.

9.9 GENERAL TERMS AND CONDITIONS

The apparently successful Respondent will be expected to enter into a



contract with DRS which is substantially the same as the sample contract at the end of the RFP in Exhibit B, including DRS's General Terms and Conditions.

While the Respondent is free to propose changes to the Contract Terms and Conditions, the Respondent is not to submit the Respondent's own standard contract terms and conditions as a replacement for those identified in this RFP and Exhibit B. A Respondent's request for substantial modification of the sample contract will be viewed as a non-responsive proposal resulting in disqualification of the Respondent. Determination of what constitutes substantial modification rests solely with DRS.

9.10 DEBRIEFING OF UNSUCCESSFUL RESPONDENTS

Unsuccessful Respondents will be given the opportunity for a debriefing conference. The RFP Coordinator must receive a written request for a debriefing conference within three (3) business days after the Notification of Unsuccessful Respondent letter is faxed to the Respondent. The request may be faxed.

Discussion will be limited to a critique of the requesting Respondent's proposal. Comparisons between proposals or evaluations of the other proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one hour.

9.11 PROTEST PROCEDURE

This procedure is available to Respondents who submitted a response to this solicitation document and who have participated in a debriefing conference. Upon completing the debriefing conference, the Respondent is allowed three (3) business days to file a protest of the acquisition with the RFP Coordinator.

Respondents protesting this procurement shall follow the procedures described herein. Protests that do not follow these procedures shall not be considered. This protest procedure constitutes the sole administrative remedy available to Respondents under this procurement.

All protests must be in writing and signed by the protesting party or an authorized Agent. The protest must state the grounds for the protest with specific and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included. All protests shall be addressed to the RFP Coordinator.



Only protests stipulating an issue of fact concerning the following subjects shall be considered:

- A matter of bias, discrimination or conflict of interest on the part of the evaluator;
- Errors in computing the score;
- Non-compliance with procedures described in the procurement document or DRS policy.

Upon receipt of a protest, DRS will hold a protest review. All available facts will be considered and the DRS Director or his delegate will issue a decision within five business days of receipt of the protest. If additional time is required, the protesting party will be notified of the delay.

In the event the protest may affect the interest of another Respondent that submitted a proposal, such Respondent will be given an opportunity to submit its views and any relevant information on the protest to the RFP Coordinator.

The final determination of the protest shall:

- Find the protest lacking in merit and uphold DRS's action; or
- Find only technical or harmless errors in DRS's acquisition process and determine DRS to be in substantially compliance and reject the protest; or
- Find merit in the protest and provide DRS options which may include:
 - Correct the errors and re-evaluate all proposals, and/or
 - Reissue the solicitation document and begin a new process, or,
 - Make other findings and determine other courses of action as appropriate.

If DRS determines that the protest is without merit, DRS will enter into a contract with the Apparently Successful Respondent. If the protest is determined to have merit, one of the alternatives noted in the preceding paragraph will be taken.

9.12 PROPRIETARY INFORMATION/PUBLIC DISCLOSURE

All proposals received shall remain confidential until the successful Respondent(s) resulting from this RFP, if any, is announced by DRS's Director or the Director's designee. Thereafter, proposals shall be deemed public records as defined in Chapter 42.17 RCW (the Washington State statute pertaining to accessibility to public records) except as exempted in



that chapter. Respondents are advised that the permissible exemptions from public disclosure pursuant to RCW 42.17 are very narrow in scope and strictly construed. In the event that a Respondent desires to claim portions of their proposal as exempt from disclosure under the provisions of the aforementioned RCW, it is incumbent upon that Respondent to clearly identify those portions in a proposal transmittal letter. The transmittal letter must identify the page and particular exemption(s) from disclosure upon which it is making its claim. Further, each page claimed to be exempt must be clearly identified by the word “CONFIDENTIAL” printed on the lower right-hand corner of the page. **Designating the entire proposal as confidential is not acceptable and will not be honored.**

If an official request is made to view a Respondent’s proposal, DRS will respond in accordance with RCW 42.17.250 et seq. If any of the specifically requested information is marked as “confidential” in the proposal, such information will not be made available until three (3) business days after the affected Respondent has been given telephone notice that the information has been requested. If within those three (3) business days the affected Respondent has undertaken proceedings to obtain a court order restraining DRS from disclosure of the requested “confidential” information, DRS will not disclose such information until resolution of the court proceeding. Upon failure to make application for judicial relief within the allowed period, the information will be disclosed.

NOTE: The proposal of the successful Respondent(s) will be attached to the resulting contract and incorporated therein by that attachment. Therefore, as part of a public state agency contract, the entirety of the successful Respondent(s)’ proposal will be subject to public disclosure regardless of any claim of confidentiality or previously applicable statutory exemption. Nevertheless, should a successful Respondent obtain a court order from a Washington State court of competent jurisdiction prohibiting disclosure of parts of its proposal prior to the execution of the contract incorporating the same, DRS will comply with the court order. The burden is upon a successful Respondent to evaluate and anticipate its need to maintain confidentiality and to proceed accordingly. Timeliness will be of the essence; a delay in execution of the contract to accommodate a petition to the courts will not be allowed.

10. DRS RIGHTS

10.1 PROPOSAL REJECTIONS

Determination of clarity and completeness in the responses to any of the



provisions in this RFP will be made solely by the DRS evaluation team. DRS reserves the right to require clarification, additional information, and materials in any form relative to any or all of the provisions or conditions of this RFP.

DRS reserves the right to reject any or all proposals at any time prior to the execution of a contract acceptable to DRS, without any penalty to DRS.

10.2 CONTRACT AWARD

DRS intends to award the contract to the Respondent(s) with the best combination of attributes based on the evaluation criteria listed in Section 9.4 of this RFP. Should DRS fail to enter into a contract with the apparently successful Respondent(s), DRS reserves the right to award a contract to the next most qualified Respondent(s). DRS also reserves the right to contract with more than one Respondent.

10.3 PUBLICITY

No informational pamphlets, notices, press releases, research reports, and/or similar public notices concerning this project may be released by the Apparently Successful Respondent(s) without obtaining prior written approval from DRS.

10.4 WAIVERS

DRS reserves the right to waive specific terms and conditions contained in this RFP. It shall be understood by Respondents that the proposal is predicated upon acceptance of all terms and conditions contained in this RFP unless the Respondent has obtained such a waiver, in writing, from the RFP coordinator prior to submission of the proposal. Any waiver, if granted, will be granted to all Respondents.

10.5 RECORDS RETENTION

After the date of the announcement of the Apparently Successful Respondent(s), DRS will retain one master copy of each proposal received for a period of six years. However, due to limited storage capacity and workspace efficiencies, those copies may be moved from DRS headquarters to the Washington State Records Center in Tumwater, Washington, at the end of six months from the date of announcement of the Apparently Successful Respondent(s). Thereafter, accommodation of any request made pursuant to Chapter 42.17 RCW to examine and/or photocopy proposals submitted in response to this RFP will be necessarily



delayed in order to retrieve the requested records. However, DRS will retain, at its headquarters, copies of the proposal(s) from the Apparently Successful Respondent(s) for a period of six years from the execution date of contracts.



Appendix A:

CERTIFICATIONS & ASSURANCES FORM

I/we make the following certifications and assurances as a required element of the proposal to which it is attached, understanding that truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of the related contract(s):

1. I/we declare that all answers and statements made in the proposal are true and correct.
2. The prices and/or cost data have been determined independently, without consultation, communication, or agreement with others for the purpose of restricting competition. However, I/we may freely join with other persons or organizations for the purpose of presenting a single proposal.
3. The attached proposal is a firm offer for a period of 120 days following receipt, and it may be accepted by DRS without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 120-day period.
4. In preparing this proposal, I/we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this proposal or prospective contract, and who was assisting in other than his or her official, public capacity. (Any exceptions to these assurances are described in full detail on a separate page and attached to this document.)
5. I/we understand that DRS will not reimburse me/us for any costs incurred in the preparation of this proposal. All proposals become the property of DRS, and I/we claim no proprietary right to the ideas, writings, items, or samples, unless so stated in this proposal.
6. Unless otherwise required by law, the prices and/or cost data which have been submitted have not been knowingly disclosed by the Proposer and will not knowingly be disclosed by him/her prior to opening, directly or indirectly to any other Proposer or to any competitor.
7. I/we agree that submission of the attached proposal constitutes acceptance of the solicitation contents and the attached sample contract and general terms and conditions. If there are any



proposed modifications to these terms, I/we have described those proposed modifications in detail on a page attached to this document.

8. No attempt has been made or will be made by the Proposer to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

Signature of Proposer

Date



Appendix B: Sample Contract

Washington State Department of Retirement Systems

Sample Contract

For

Consulting Services for the Reduction in System Errors (RISE) Project

This contract is made by the Washington State Department of Retirement Systems (DRS), P.O. Box 43830, Olympia, Washington (hereinafter DRS), and CONTRACTOR.

DEFINITIONS

As used throughout this contract and attachments, the following terms shall have the meanings set forth below:

- A. “**Contractor**” shall mean COMPANY NAME, ADDRESS
- B. “**Contract Manager**” shall mean the agency representative identified in the text of the contract who is delegated the authority to administer the contract.
- C. “**DRS**” shall mean the Washington State Department of Retirement Systems as described in Chapter 41.50 RCW.
- D. “**Director**” shall mean the agency employee authorized by RCW 41.50.020 who serves as the executive and administrative head of DRS.
- E. “**Guidelines**” shall include the policies and procedures and other written instructions implemented by DRS.
- F. “**RFP**” shall mean Request for Proposals.

NATURE OF RELATIONSHIP

During the term of this agreement, Contractor may be consulted, on various occasions and under varying circumstances, by the Director of DRS, Deputy



Director of DRS, the DRS Manager of Strategic and Quality Initiatives Unit, The Assistant Director of Information Services, and the RISE project manager for purposes consistent with the functions and assignments described in the scope of services section set forth below.

Notwithstanding the provisions of Section II, *infra*, work pursuant to this agreement may be assigned by the Deputy Director of DRS, the DRS Manager of Strategic and Quality Initiatives Unit, and the Assistant Director of Information Services to perform various functions and assignments within the scope of services.

Prior to the commencement of any assignments or fulfillment of any requests beyond the scope of services defined by this agreement, the rendering of which could cause an increase in the fees set forth herein, Contractor shall request and receive approval from the appropriate contract manager designated in Section II, *infra*.

I. SCOPE OF SERVICES

- A. The Contractor will provide service(s) and staff as set forth in the text of this contract instrument, the Contractor's Proposal dated _____ attached hereto as Exhibit A, and the AGENCY'S Request for Proposals attached as Exhibit B.
- B. The Contractor shall provide DRS with such services as described in this contract and Exhibits A, and B in accordance with the terms and conditions of this contract, the objectives and guidelines established by DRS, the legal limitations imposed on DRS, and specific directives or instructions issued by DRS to Contractor.
- C. DRS shall furnish Contractor such evidence of authority of the persons authorized to act on behalf of DRS, together with their specimen signatures, as Contractor may reasonably request.
- D. All related reports shall be sent to: ATTN: Quality Assurance Manager, RISE Project, Washington State Department of Retirement Systems, P.O. Box 48380, Olympia, Washington 98504-8380.

II. CONTRACT MANAGER

The Quality Assurance Manager is designated as the Contract Manager for the contractual relationship. The Contract Manager will be responsible for:

- A. Overall direction and planning;
- B. Monitoring Contractor progress against contractual commitments and approving payment; and



- C. Designating specific DRS staff for day-to-day liaison with Contractor.

III. COMPENSATION

- A. **Fees:** DRS shall make payments to Contractor for products produced under this contract as defined in Exhibit A. Payment shall be made no later than thirty days after acceptance of the specific product and receipt of a properly submitted and correct invoice. Acceptance of products will be the sole responsibility of the contract managers. If payment(s) will be delayed due to nonperformance, written notification to the Contractor will be provided within 10 days from the receipt date of product(s).

No more than two invoices per month will be allowed. Each invoice must include company name, address and telephone number, invoice number, federal identification number, contract number, description of specific product(s) produced, the associated payment amount(s), and an invoice total.

Invoices shall be directed to: ATTN: Quality Assurance Manager, RISE Project, Washington State Department of Retirement Systems, P.O. Box 48380, Olympia, Washington 98504-8380.

Payment shall be made on completion of services as specified in Exhibit A. The total payments to be made under this contract are as follows:

The Contractor will follow the State of Washington and Office of Financial Management (OFM) guidelines for all travel and per diem expenses.

Pending successful completion of all deliverables and all phases, total payment for services under this contract shall not exceed \$200,000.

- B. **Payment of Taxes:** Contractor shall pay all applicable taxes assessed on the compensation received under this contract and shall identify and pay those taxes under Contractor's federal and state identification number(s).
- C. **Withholding of Payment:** DRS reserves the right to withhold payment for non-compliance and/or non-performance with the terms and scope of work of this agreement. Payment shall not be unreasonably withheld. Nothing herein impairs the right of DRS to terminate the contract as set forth in Section V., *infra*.

Additionally, DRS reserves the right to offset against payments due the Contractor any delinquent payment due to DRS from the Contractor. For these purposes, a payment is delinquent if it is not paid within thirty (30) days of transmittal to the Contractor of an invoice setting forth the amount due and



the justification therefor.

IV. TERM

This contract shall be effective when executed by both parties on or around March 15, 1999, and shall expire on June 30, 2001, unless terminated sooner under other provisions of this contract. If circumstances beyond the Contractor's control delay the project opening part's completion, the Contractor will fulfill the work at no extra cost to DRS.

DRS reserves the option to extend the term of this contract. In the event that DRS elects to exercise its extension option, it shall notify Contractor of its decision to extend the term of the contract by giving written notice to Contractor at least thirty (30) days in advance of the then current expiration date.

V. TERMINATION

- A. Termination For Default:** The Director of DRS may, by written notice, terminate the contract in whole or in part, for failure of Contractor to perform any of the material provisions hereof or if such performance by Contractor falls below prevailing industry standards. In such event Contractor shall be liable for damages as authorized by law, including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, (i.e., cost of the competitive bidding, mailing, advertising and staff time); **Provided**, that if (i) it is determined for any reason the Contractor was not in default, or (ii) Contractor's failure to perform is without his or her and/or his or her subcontractor's control, fault or negligence, the termination shall be deemed to be a "Termination for Convenience."
- B. Opportunity to Cure Default:** DRS shall not invoke the provisions of subparagraph "A" immediately preceding, unless the Contractor is afforded the opportunity to cure the default within a period of prescribed by DRS, in its sole discretion, and until the expiration of the cure period so established. The duration of the cure period will be determined by DRS by reasonably weighing several factors relevant to the default which will include, but not be limited to: how critical performance failure rectification is to DRS operations; lead-time afforded to the Contractor to complete the performance or assignment in the first instance; repetition, if any, of the particular performance default; accumulation in number, if any, of other performance defaults which the Contractor has timely cured; and, attribution of the default to willful disregard or carelessness on the part of the Contractor.



- C. Termination For Convenience:** DRS has the right to terminate the contract by giving written notice to Contractor at the address previously given in this contract, at least five (5) business days before the effective date of termination.
- D. Termination Procedure:** Upon termination of this contract DRS, in addition to any other rights provided in this contract, may require Contractor to deliver to DRS any property specifically produced or acquired for the performance of such part of this contract as has been terminated.

DRS shall pay to Contractor the agreed upon price, if separately stated, for completed work and services accepted by DRS, and the amount agreed upon by Contractor and the Director of DRS for (1) completed work and services for which no separate price is stated, (2) partially completed work and services, (3) other property or services which are accepted by DRS, and (4) the protection and preservation of property, unless the termination is for default, in which case the Director of DRS shall determine the extent and liability of DRS. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" section of this contract. DRS may withhold from any amounts due to Contractor such sum as the Director of DRS determines to be necessary to protect DRS against potential loss or liability.

The rights and remedies of DRS provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Contract Manager, Contractor shall:

1. Stop work under the contract on the date, and to the extent, specified in the notice;
2. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract as is not terminated;
3. Assign to DRS, in the manner, at the times, and to the extent directed by the contract manager all of the rights, titles, and interest of Contractor under the orders and subcontracts so terminated, in which case DRS has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of



the contract manager to the extent they may require, which approval or ratification shall be final for all the purposes of this clause;

5. Transfer relevant title to DRS and deliver in the manner, at the times, and to the extent, if any as directed by the contract managers, any property which, if the contract had been completed, would have been required to be furnished to DRS;
6. Complete performance of such part of the work as shall not have been terminated; and
7. Take such action as may be necessary, or as the relevant contract manager may direct, for the protection and preservation of the property related to this contract which is in the possession of Contractor and in which DRS has or may acquire an interest.

By such termination, neither DRS nor Contractor may nullify obligations already incurred for performance or failure to perform prior to the date of termination. In the event the termination date does not coincide with the last day of a quarter, the Contractor shall be entitled to a prorated portion of the fee for the quarter during which termination occurs.

VI. CONFLICT OF INTEREST

Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any significant manner or degree with the performance of services required under this contract. DRS may, by written notice to the Contractor, terminate this contract if it is found after due notice and examination by DRS that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the Contractor in the procurement of, or performance under, this contract.

In the event this contract is terminated as provided above, DRS shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor. The rights and remedies of DRS provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which DRS makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

VII. INDEPENDENT CAPACITY OF THE CONTRACTOR

Contractor and his or her employees or agents performing under this contract are not employees or agents of DRS. Contractor will not hold himself or herself out as, nor claim to be, an officer or employee of DRS or of the State of Washington



by reason of this contract, nor will he or she make any claim of right, privilege or benefit which would accrue to a civil service employee under Chapter 41.06 RCW.

VIII. NONDISCRIMINATION

During the performance of this contract, Contractor shall comply with all federal and state nondiscrimination statutes and regulations. The requirements include, but are not limited to:

- A. **Nondiscrimination in Employment:** Contractor shall not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin, creed, marital status, age, or the presence of any sensory, mental or physical disability. Nondiscrimination in employment shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment selection for training, including apprenticeships and volunteers. This requirement does not apply, however, to a religious corporation, association, educational institution or society with respect to the employment of an individual of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution or society of its activities.
- B. **Nondiscrimination in Client Services:** Contractor shall not, on grounds of race, color, sex, religion, national origin, creed, marital status, age or the presence of any sensory, mental or physical disability:
 - 1. Deny an individual any services or other benefits provided under this contract;
 - 2. Provide any service(s) or other benefits to an individual which are different, or are provided in a different manner, from those provided to others under this contract;
 - 3. Subject an individual to segregation or separate treatment in any manner related to the receipt of any service(s) or other benefits provided under this contract; or,
 - 4. Deny any individual an opportunity to participate in any program provided by this contract through the provision of services or otherwise, or afford any opportunity which is different from that afforded others other this contract.

Contractor, in determining (1) the types of services or other benefits to be provided or (2) the class of individuals to whom, or the situation in which, which services or other benefits will be provided or (3) the class of individuals to be afforded an opportunity to participate in any services or other benefits, will not utilize criteria or methods of administration which have the effect of subjecting



individuals to discrimination because of their race, color, sex, religion, national origin, creed, marital status, age or the presence of any sensory, mental or physical disability.

IX. NONCOMPLIANCE WITH NONDISCRIMINATION REQUIREMENTS

In the event of Contractor's noncompliance or refusal to comply with the nondiscrimination requirements, this contract may be rescinded, canceled or terminated in whole or in part, and Contractor may be declared ineligible for further contracts with DRS. Contractor shall, however, be given a reasonable time in which to cure the noncompliance. Any dispute may be resolved in accordance with the Disputes section set forth in this agreement.

X. HOLD HARMLESS AND INDEMNIFICATION

Contractor agrees that it is financially responsible (liable) for any audit exception or other financial loss to the state of Washington which occurs due to the negligence, intentional acts, or failure for any reason, to comply by Contractor and/or its agents, employees, subcontractors or representatives with the terms of this contract.

Contractor further agrees to protect and save the state, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands and causes of action of any kind or character,

including the cost of defense thereof, arising in favor of Contractor's employees or third parties on account of personal injuries, death or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of Contractor and/or its agents, employees, subcontractors or representatives under this contract.

XI. COVENANT AGAINST CONTINGENT FEES

Contractor agrees that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agency maintained by Contractor for the purpose of securing business. For breach of this guarantee, DRS may terminate this contract and make no payment for services under the contract without liability, or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.



XII. TREATMENT OF ASSETS

- A. Title to all property furnished by DRS shall remain in the name of DRS. Title to all property purchased by Contractor for which Contractor is entitled to be reimbursed as a direct item of cost under this contract shall pass to and vest in DRS upon completion, termination or cancellation of this contract. Contractor reserves the right to maintain current copyrights on current Contractor material and the right to copyright any material purchased by the Contractor (but has not been reimbursed to the Contractor as a direct cost) that has general application and other utility for other clients of the Contractor.
- B. Any property of DRS furnished to Contractor shall, unless otherwise provided in this contract, or approved by DRS, whichever is applicable, be used only for the performance of this contract.
- C. Contractor shall be responsible for any loss or damage to property of DRS which results from the negligence of Contractor or which results from the failure on the part of Contractor to maintain and administer the property in accordance with sound management practices.
- D. If any DRS property is lost, destroyed or damaged, Contractor shall immediately so notify DRS and shall take all reasonable steps to protect the property from further damage.
- E. Contractor shall surrender to DRS all property of DRS prior to settlement upon completion, termination or cancellation of this contract.
- F. All reference to Contractor under this clause shall include any of his or her employees or agents (or subcontractors if the contract allows).

XIII. ASSIGNABILITY

- A. **Nonassignability of Claims:** No claim arising under this contract shall be transferred or assigned by Contractor.
- B. **Nonassignability of Contract:** This contract is not assignable by Contractor.

XIV. RECORDS, DOCUMENTS, AND REPORTS

Contractor shall maintain books, records, documents and other evidence of accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract. These records shall be subject at all reasonable times to inspection,



review, or audit by personnel duly authorized by DRS, the Office of the State Auditor, and federal officials so authorized by law, rule, regulation, or contract. Contractor shall retain all books, records, documents, and other materials relevant to this contract for five years after settlement, and make them available for inspection by persons authorized under this provision.

XV. CONFIDENTIALITY

Contractor shall maintain as confidential all information concerning its study findings and recommendations, as well as the business of DRS, DRS's financial affairs, relations with their clientele and their employees, and any other information which may be specifically classified as confidential by DRS in writing to Contractor. To the extent consistent with RCW 42.17.250 et seq. ("The Public Disclosure Act"), DRS shall maintain all information which Contractor specifies in writing as confidential. Contractor shall have an appropriate contract with its employees to this effect.

XVI. RIGHTS IN DATA

Unless otherwise provided, data which originates from this contract shall be "works for hire" as defined by the U. S. Copyright Act of 1976 and shall be owned by DRS. Data shall include, but not be limited to, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, videotapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register, and the ability to transfer these rights.

Data which is delivered under the contract, but which does not originate from the contract shall be transferred to DRS with a nonexclusive, royalty-free, irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so; **provided**, that such license shall be limited to the extent which Contractor has a right to grant such a license. Contractor shall exert all reasonable effort to advise DRS, at the time of delivery of data furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such documents which was not produced in the performance of this contract. DRS shall receive prompt written notice of each notice or claim of copyright infringement received by Contractor with respect to any data delivered under this contract. DRS shall have the right to modify or remove any restrictive markings placed upon the data by Contractor.

XVII. SUBCONTRACTS, CONTRACT PROGRAMMING, ETC.

Contractor shall not enter into subcontracts for any of the work or services contemplated under this contract unless specifically approved in writing by DRS prior to the commencement of subcontracted work. Should subcontracting be deemed necessary for successful performance of this contract, DRS will require



compliance with Washington State competitive procurement requirements for selection of the subcontractor(s). This does not include contracts of employment between Contractor and personnel assigned to work under the contract.

XVIII. REGISTRATION WITH DEPARTMENT OF REVENUE

Contractor shall complete registration with the Department of Revenue, General Administration Building, Olympia, Washington 98504, if applicable, and be responsible for payment of all taxes due on payments made under this contract.

XIX. LICENSING AND ACCREDITATION STANDARDS

Contractor shall comply with all applicable local, state, and federal licensing and accrediting requirements/standards, necessary in the performance of this contract.

XX. INSURANCE

The Respondent must indicate in the letter of submittal and as a condition of contract award, that the Respondent will provide proof of insurance from the Respondent's insurance carrier, showing compliance with the insurance requirements set forth below.

The Company awarded the contract shall, at the Company's own expense, obtain and keep in force insurance coverage which shall be maintained in full force and effect during the term of the contract. The Company shall furnish evidence in the form of a Certificate of Insurance that insurance shall be provided, and a copy shall be forwarded to DRS within fifteen (15) days of receipt of notice of award.

Liability Insurance

- 1) **Commercial General Liability Insurance:** The Company shall maintain general liability (CGL) insurance and, if necessary, commercial umbrella insurance, with a limit of not less than \$1,000,000 per each occurrence. If CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit. CGL insurance shall be written on ISO occurrence from CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability assumed under an insured contract (including the tort liability of another assumed in a business contract), and contain separation of insureds (cross liability) condition.



Additionally, the Company is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

- 2) **Business Auto Policy:** As applicable, the Company shall maintain business automobile liability and, if necessary, commercial umbrella liability insurance with a limit not less than \$1,000,000 per accident. Such insurance shall cover liability arising out of “Any Auto.” Business auto coverage shall be written on ISO form CA 00 01, 1990 or later edition, or substitute liability form providing equivalent coverage.

Additional Provisions

Above insurance policy shall include the following provisions:

- 1) **Additional Insured.** The State of Washington, DRS, its elected and appointed officials, agents and employees shall be named as an additional insured on all general liability, excess, umbrella and property insurance policies. All insurance provided in compliance with this contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the State.
- 2) **Cancellation.** State of Washington, DRS, shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accordance with the following specifications. Insurers subject to 48.18 RCW (Admitted and Regulation by the Insurance Commissioner): The Insurer shall give DRS 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, DRS shall be given ten (10) days advance notice of cancellation. Insurers subject to 48.15 RCW (Surplus lines): DRS shall be given twenty (20) days advance notice of cancellation. If cancellation is due to non-payment of premium, DRS shall be given ten (10) days advance notice of cancellation.
- 3) **Identification.** Policy must reference the DRS’s contract number and the agency name.
- 4) **Insurance Carrier Rating.** All insurance and bonds should be issued by companies admitted to do business with the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best’s Reports. Any exception shall be reviewed and approved by DRS, or the Risk Manager for the State of Washington, before the contract is accepted or work may begin. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with chapter 48.15 RCW and 284-15 WAC.



- 5) **Excess Coverage.** By requiring insurance herein, DRS does not represent that coverage and limits will be adequate to protect the Company, and such coverage and limits shall not limit the Company's liability under the indemnities and reimbursements granted to DRS in this Contractor.

XXI. WORKERS' COMPENSATION INSURANCE COVERAGE

Contractor shall provide or purchase applicable workers' compensation insurance coverage prior to performing work under this contract. DRS will not be responsible for payment of industrial insurance premiums for this Contractor, or any subcontractor or employee of Contractor, which might arise under the workers' compensation insurance laws during performance of duties and services under this contract. Should Contractor fail to secure workers' compensation insurance coverage or fail to pay premiums on behalf of its employees, DRS may deduct the amount of premiums owing from the amounts payable to Contractor under this contract and transmit the same to the appropriate workers' compensation insurance fund.

XXIII. RIGHTS OF INSPECTION

Contractor shall provide right of access to its facilities to DRS, or any of its officers, or to any other authorized agent or official of the State of Washington or the federal government at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this contract.

XXIV. ADVANCE PAYMENTS PROHIBITED

DRS will make no payment in advance or in anticipation of services or supplies to be provided under this contract.

XXV. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, DRS may terminate the contract under the Termination for Convenience section (without the five-day notice requirement), subject to re-negotiation under those new funding limitations and conditions.

XXVI. LIMITATION OF AUTHORITY

Except in the case of any extension of time, only the Director of DRS or the Director's delegate by writing (delegation to be made prior to action) shall have the expressed, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver of any clause or condition of this contract is not effective



or binding unless made in writing and signed by the Director of DRS or the Director's designee (Designee).

XXVII. LETTERS OF EXTENSION

Should the need arise to extend the time for performance of this contract, which need is in no way attributable to the negligence, misfeasance or malfeasance of any party to this contract, the contract managers, on behalf of DRS, may execute a letter of extension with Contractor. The letter of extension must be acknowledged by the written signature of an authorized representative of Contractor. Should any other term or aspect of the contract be affected by a time extension, this section is inoperative.

XXVIII. WAIVER OF DEFAULT

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of the contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the contract unless stated to be such in writing, signed by the Director of DRS or Designee.

XXIX. CHANGES TO CONTRACT

The Director of DRS may, at any time, by written notification to Contractor, and without notice to any known guarantor or surety, make changes within the general scope of the services to be performed under the contract. If any such changes cause an increase or decrease in the cost of, or the time required for the performance of this contract, an equitable adjustment may be made in the contract price, or period of performance, or both, and the contract shall be modified in writing accordingly. Any claim by Contractor for adjustment under this clause must be asserted within 30 days from the date of receipt by Contractor of the notice of such change; **provided**, however, that the Director of DRS may, if the Director decides that the facts justify each action, receive and act upon such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the section of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

XXX. DISPUTES

Prior to the initiation of litigation or arbitration under this contract, and when a *bona fide* dispute arises between DRS and Contractor, and it cannot be resolved by agreement, either party may request a dispute hearing with the Director of DRS or its Designee. Either party's request for a dispute hearing must be in writing and clearly state:



- A. the disputed issues;
- B. the relative positions of the parties;
- C. the desired resolution of the dispute; and,
- D. the Contractor's name, address, and his or her contract number.

These requests must be mailed to the Director of DRS at the address for DRS set forth in the text of the contract, within fifteen (15) days after either party receives notice of the issue(s) which he or she disputes. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal or any commencement of arbitration.

XXXI. GOVERNING LAW

This contract shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this contract, venue shall be proper only in the Superior Court of the State of Washington, in, and for, Thurston County, Olympia, Washington. Contractor, by execution of this contract, acknowledges the jurisdiction of the courts of the state of Washington in this matter.

XXXII. SERVICE OF PROCESS

Contractor shall designate a registered agent for service of process in all matters concerning the contract. If no other agent is designated, Contractor shall designate the Secretary of the State of Washington as registered agent for service of process.

XXXIII. SEVERABILITY

If any provision of this contract or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this contract which can be given effect without the invalid provisions, and to this end the provisions of this contract are declared to be severable.

XXXIV. CONFORMANCE WITH STATUTES AND RULES OF LAW

If any provisions of this contract shall be deemed in conflict with any statute or rule of law, such provisions shall be deemed modified to be in conformance with said statute or rule of law.

XXXV. SCOPE OF CONTRACT

This contract and the attachments listed in Section I. A. incorporate all the contracts, covenants and understandings between the parties concerning the



subject matter, and all such covenants, agreements and understandings have been merged into this contract. No prior contract or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this contract.

XXXVI. CHANGE OF CONTROL OR PERSONNEL

Contractor shall promptly, and in any case within twenty-four (24) hours, notify DRS in writing:

- A. If any of the representations and warranties of the Contractor set forth in this contract shall cease to be true at any time during the term of this contract;
- B. Of any material change in the Contractor's Senior Staff;
- C. Of any change in control of the Contractor or in the business structure of the Contractor; or
- D. Of any other material change in the Contractor's business, partnership or corporate organization relating to the Assigned Account. All written notices regarding changes in Senior Staff shall contain the same information about newly assigned Senior Staff as was requested by DRS in the RFP and such additional information as may be requested by DRS. For purposes hereof, the term "Senior Staff" shall mean those persons identified as senior management in any response to a Request for Proposal or who otherwise will exercise a major administrative role or major policy or consultant role to the provision of the Contractor's services hereunder. All written notices regarding changes in control of the Contractor shall contain the same information about any new controlling entity as was requested by DRS in the RFP regarding the Contractor and such additional information as may be requested by DRS.

Approval of these changes rests solely with DRS and will not be unreasonably withheld. This contract, consisting of **sixteen (16) pages and two (w) attachments**, is executed by the persons signing below who warrant that they have the authority to execute this contract.



DEPARTMENT OF RETIREMENT SYSTEMS

COMPANY

By: _____

**Maureen H. Westgard
Deputy Director**

Date: _____

COMPANY

By: _____

Name and Title

Date: _____